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Proprietor and Editor: ABRAHAM SHARON. Managing Editor: TUD. A. LUBIN.

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THE Guri Report appears, after much delay, just at a time when the country is awakening to the danger of inflation. The report is a long and detailed study of the economic situation in Israel, and it is a welcome contribution to the public's understanding of the problem.

There will be a strong temptation to claim that, to allow a substantial increase of wages to a not inconsiderable section of the population at this time may well be the catalyst that will precipitate a run-away inflation. This may be an exaggerated fear, but it exists. It is a real factor in making judgment on the principles inherent in the Guri Report very difficult.

The tension which has been mounting while the report was hanging fire will now be considerably increased. The Civil Servants and the professional and academic workers whose economic fate is linked with theirs, although the report did not include them within its strict terms of reference, will also assert that if an inflationary situation has begun to form it only reinforces their claims; for if life was hard for them on their inadequate salaries before, it now becomes well-nigh impossible.

These considerations lie outside the actual figures in the Guri recommendations which the Government is pledged to implement for the Civil Servants. The result will be a series of claims by other professions and academic workers which it will be almost impossible to resist. How long it will be before these are followed by an organized drive for higher wages by the mass of workers of the country it is not easy to say.

The Government is faced with an unenviable task. It cannot conveniently resist the claims of those who fall within the orbit of the Guri Report, yet it dare not let the floodgates of inflation open. The general demand for an all-round rise in wages. To reject the principles of the report, which recommends higher payment for grades requiring special qualifications and imposing additional responsibilities would be to announce that the professional worker is not entitled to any extra material reward for his years of study and his special skill. This is the dilemma.

The Government will have to be prepared to fight this issue on two fronts. The nation must be educated to the view that if the country's economy is not to suffer, then any claims for higher wages by the worker in industry will have to be based on greater productivity. In other words, while the economic reward of the doctor or the University professor cannot be related to productivity but must be based mainly on his need, the worker's wage must be based on his productivity. The industrial workers' pay decides whether Israel goods are competitive in the world markets, and beyond certain basic rates can go up only as efficiency rises, particularly while the principle of the cost of living allowance for currency depreciation continues in force. In any case the promised increases have done little but restore the differential lost by the higher grades as the result of consolidated C.O.L. allowances paid on only a part of the original salaries.

The second front on which the battle will have to be fought is against inflation. Spending must be controlled by creating incentives for investment and savings, by channelling credit into the productive enterprises which need it and by dealing mercilessly with all manner of monetary means against those enterprises which are little to the nation's wealth and only provide luxury goods for inflationary spending.

These are more far-reaching measures which will take some time to elaborate and whose results will be felt only in the future. The immediate problem is to clarify the issue of the academic and professional workers' wage claims. The workers in question have a just claim. The Government is pledged to the Guri Report, a general wage rise is impossible at the moment for the reasons given. These are the data; the country has either to accept them or face the inevitable economic disruption which blindness to the issue will bring about.

Random Thoughts In a Heat Wave

By JESSE ZEL LUBIN

LAST Wednesday was the hottest day of the year and no one cared. The day before was just as hot — the official temperature was half a degree less. The month of July was the hottest on record with the mercury soaring above 90 for day after day and the high humidity turning sun-baked cotton dresses and Bermuda shorts into wilted lettuce leaves. Thursday was slightly cooler: 80 here in the city and over 92 at LaGuardia Airport and that is hot in any normal summer. On Wednesday it was described as a permanent humidity plus high humidity.

AT the air-conditioned UN sky-scraper on the shores of the East River, press representatives and secretariat officials are beginning to look ahead to the next Assembly. Many of the items on this agenda are old cold-war disputes which appear on the agenda after year and can never be settled unless the cold-war ends. Most people think that the cold-war was ended by the Russian Revolution. What happens as the Assembly will indicate just how dead the corpse is.

The Arabs have again placed North Africa on the agenda and people here are wondering whether the Soviet's new friendliness will go so far as to support France in her belated but honest attempt to settle legitimate nationalist aspirations or whether, on the grounds of colonial freedom, Russia will support the intransigents.

The Eastern Scene

Observers here are also speculating on the fate of the Arab-Israeli dispute when it again comes before the Security Council. If, as reported, the Gana talks have broken down, Burns must report it to the Security Council for action as it deems necessary. If there is no more cold war, then East and West need not jockey for votes and the Arab-Asian bloc loses its power. At the last Assembly there were already signs of the bloc's disintegration, as many of the Asians turned hard to go along with the Arabs. This Assembly should hasten the process.

If Israel plays her cards close to the chest and curbs the vote-getting peasant generals, the Arabs may find themselves being the pale at the next UN session. With the rest of the world casting each other with vodka.

SOVIETS LEARN PUBLIC RELATIONS

By OMER ANDERSON

GENEVA (NANA). — HOW did the Russians learn to behave, as it has been remarked here, "like they were taken in town by a high-voltage American public relations expert?"

Authoritative Western sources said recently there was good reason to believe that the Soviet leaders were being coached by the two escaped British diplomats, Donald Maclean and Guy Burgess. Both were not only ranked high in diplomatic circles but also had long experience in American affairs while attached to the British Embassy in Washington and as experts on the U.S. in the British Foreign Office.

Art Notes

New Money Printing Good, Design Bad

THE new banknotes issued by the Bank of Israel wisely refrain from divulging the names of the two designers — one man, after all, cannot have been so doubly uninspired as to design both the non-sensational abstract ornament on the back and the cigarette-picture type conservative landscapes on the front. In 40 years of inactivity in applied graphic art, consider I have never yet seen uglier banknotes. My wife mistook the Emek view for a war cemetery. The pink drawing of the Baram monument looks like the work of a careful schoolboy.

This absolute failure, which becomes all the clearer by comparison with the pleasant look of the mandatory notes and the neutrality of the Bank Leumi bills, contrasts glaringly with the perfection of the printing and the high quality of the paper. It may have dangerous psychological consequences too: during the power period in Italy, I always found myself

and champagne, no one will have much patience with Arab belittlement. Donald Cook called from Jerusalem to the "Herald-Tribune" last week:

"The refusal by Egypt to accept any plan to control the Gaza bazaar is typical of the pettiness which hampers efforts to normalize relations between Israel and the Arab states. The task clearly will take 30 years."

If East and West can get together on preserving peace all over the world, they might think of steps to hasten the process.

Biggest Season on Record

AMERICAN-Russian relations may receive a decided setback in the next few weeks. Congress adjourns on Wednesday and official junketing began on Thursday. The members, who have sweated out the hottest July on record, will receive their reward by free vacations abroad on official business, "investigating" American aid and other such matters. This season's junketing is the biggest on record with more Congressmen going to more places and placing more feet in more months than any previous year. Israel will no doubt receive her share through the Mandelbaum Gate after they have been taken on a bleeding heart tour of the refugee camps but it is the score or more who have suddenly decided to go to Russia that I worry about.

The Soviet Embassy here is handing out visas to any Congressman that applies. They have not been so liberal, however, with reporters. Marguerite Higgins of the "Herald-Tribune" has been trying to get a visa to reestablish the "Herald-Tribune" bureau in Moscow. Others who have been awaiting visas for some time include correspondents for the "Washington Post" and the "Philadelphia Inquirer" and "Look" Magazine. At Geneva Charles Bohlen, Ambassador to Russia, mentioned these pending applications when Khrushchev was holding forth with "anybody can come to Moscow these days."

Embarrassed, Khrushchev turned to Leonid Brezhnev, his press chief, who said that Americans were withholding visas from Soviet journalists. Mr. Bohlen's investigation revealed that the Russian journalists refused to accede to present American regulations that all visitors must be fingerprinted. It is believed that the State Department will take steps at the next session of Congress to get this regulation repealed. The Department has found that most of America's allies sympathize with the Russian objections.

to turn up any trace of them. Switzerland's wife later went to Switzerland with her mother and the couple's three children, ostensibly on a holiday at Lausanne. A few weeks later Mrs. Maclean and the children also vanished. Authorities established that she had boarded a train to Austria.

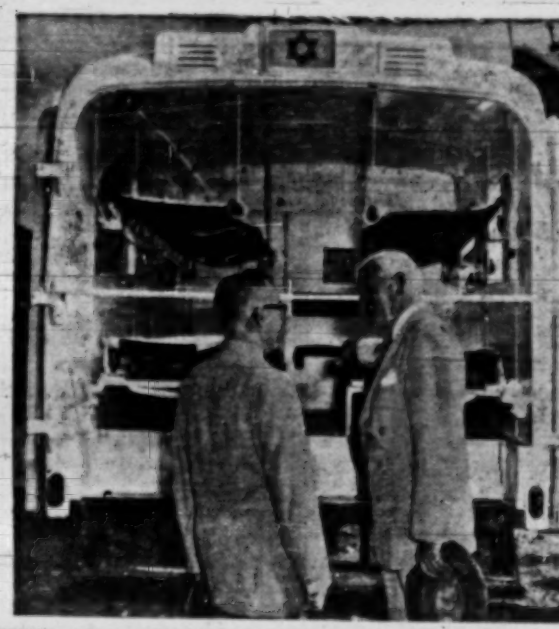
It is now known beyond much doubt that Burgess and the Macleans are living in Moscow. Western officials consider it clear that the Soviets have trumpeted the Burgess-Maclean defections with a propaganda blast unless there were uses for them.

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VISITOR—Dedicating the Sandstrom First Aid Station and Magen David Adom ambulance at Shohash in the Jerusalem Corridor on Sunday, Justice Sandstrom (right) is chatting with Dr. Nissel.

JUSTICE Emil Sandstrom, President of the League of Red Cross Societies, speaking at the 25th anniversary conference of Israel Magen David Adom at the Sports Club in Jerusalem on Monday, said that he hoped that Israel would soon become a member of the world family of Red Cross societies. "We need you, we need the energy and concentrated effort which have characterized Israel's participation in each of its humanitarian operations, and we think that you need us," he said.

Representatives of Friends of the Magen David Adom Society from the U.S., Argentina, Great Britain, South Africa, France and Belgium were welcomed to the meeting by Dr. E. Nussimbaum, who presided.

In the afternoon, the delegations from abroad were received by President Ben-Zvi. To wind up the Jerusalem part of the 25th anniversary celebrations, a dinner was held at the King David Hotel on Monday night.

Later, Justice Sandstrom, who in 1947 was Chairman of the U.N. Special Committee on Palestine, visited the Touring Club in Talbich, where he met one of the former members of UNSCOP, the Minister of Agriculture, Dr. Y. Q. Gonen.

Judging from the informal speeches that Justice Sandstrom has made in the three days of his flying visit here, he is more than ever convinced on the basis of what he has seen that the UNSCOP partition decision was right. "I am deeply impressed by

the wonderful things you have done," he has said, adding that it was the Arabs themselves who, by making the mistake of running away, had helped the partition plan to succeed. The frontiers that had emerged from the 1948 struggle were much better, he felt, than those that had been drawn on a map by his committee. He had not been too pleased. The distinguished visitor spent yesterday touring the country. At Ashdod, he was received by Dr. H. Sonnabend, the Mayor, and inspected the antiquities and the Yuvai Gad Pipe Factory.

White haired, of medium height and ruddy complexion, Judge Sandstrom seems to be always smiling during this visit which he is so patently enjoying. He is continuing his tour today and is flying back to Sweden tomorrow (Thursday).

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Readers' Letters

ANSWER COUPONS

Editor, The Jerusalem Post: Sir, Referring to your correspondent's letter questioning the exchange value of international answer coupons, in today's issue, I am very much interested in the official answer to another question: Why are these coupons not available at the Ramat Gan post office? The answer given me by the postmaster of this office, to the effect that none are issued in Israel because of black market transactions, sounds quite believable. Are there no international obligations towards the Postal Union?

A second question to which I should like a reply is why, in a town of 60,000 inhabitants (Ramat Gan), there is no public telephone in a new, fine, luxurious building central post office. An inhabitant of Ramat Gan who wishes to make an interurban call has to apply to a pharmacy or other private phone. This is not service! Yours, etc. H. K. Ramat Gan, June 29

Post Office Replies

The sale of international answer coupons was stopped in February 1953 after it was proved that this service had been exploited to circumvent the foreign currency restrictions. The International Postal Union charter does not make the sale of international coupons obligatory and this is decided upon by the post office in each country. We are now considering the possibilities of renewing this service. Instructions have been given to install a public telephone booth in the post office. A.D. COLEMAN Jerusalem, July 19

AUSTRIAN COURTS

Editor, The Jerusalem Post: Sir, — I have just come across a short notice in the German weekly magazine "Der Spiegel" of May 18, which in my opinion illustrates the mentality of the Austrian courts and it should be of interest to the general public of Israel, especially as the general attitude in this country is one of sympathy with Austria, as compared to the unforgiving attitude towards Germany.

Haifa's Voters Made 'Independent' Choice

Jerusalem Post Bureau

MAYOR Abba Khoushy has emerged triumphant from the municipal elections, and it is likely that the adverse publicity given lately by part of the Press and by the opposition may even have done him good in the sense of Oscar Wilde's epigram: "There is one thing worse than being talked about, and that is — not being talked about."

It is true that part of Mapai's success in Haifa is due to the vote it received from the artists, who last time put up a separate list and failed. But a comparison of Knesset and Municipal returns—in various quarters—makes it apparent that a number of politically discriminating citizens voted Mapai in the city elections, but differently for the Knesset. These citizens may have asked themselves who could run the city's affairs better than the present Mayor and found the answers suggested by the opposition parties unsatisfactory.

Common-Sense Approach

As political maturity grows, such discrimination on the part of the voters is certain to spread. A striking example of this trend is the resounding success of a non-political citizen's list "Lamed" in Kiryat Beik, which contested the local council elections on purely local issues and won 1,076 out of 3,100 votes — 280 more than Mapai. Lamed spent less than 11,000 on its propaganda, which consisted of two meetings and of a handbill which read: "Lamed" is not "Mapai" coloured, it is not "Mapai" coloured, it is not "Mapai" coloured. "Lamed" is not "Mapai" coloured, it is not "Mapai" coloured. "Lamed" is not "Mapai" coloured, it is not "Mapai" coloured.

While the general alignment of the Haifa City Council has thus been altered, the spirit will not be the same again. The outcome of the national elections will enter like a breeze through the Council Chamber's windows and affect its climate. Mapai's new labour partners will be less pliant and complacent than they have been in the past four years. The Mayor, knowing that many residents have voted for him because of his past performance rather than for his party, may be expected to do everything to keep their confidence. "Lamed" city issues above all other considerations. The elections have shown that one can hold power without necessarily losing the favour of public opinion, or even part of it.

Yesterday's Press

Wage Problem Unsolved

THE Guri Commission Report elicited comments from "Lamhav" (Abdus Ha'voda), "Ha'aretz" (non-party) and "Ha'modia" (World Aguda). All three papers agree that the Commission has done its best under the circumstances but nothing to solve the basic wage policy problem.

The real problem, writes "Lamhav", is the wage policy fostered by the late Coalition, which is not commensurate with the needs and tasks of the State or its citizens. If the Commission's recommendations help obviate the economic instability of the Government worker, it may be deemed to have done a good job, but the main problem will not be solved through it.

"Ha'modia" points to the difficulty encountered by the Mapai members of the Commission in reaching the final decision. The party has been advocating uniform wages and now suddenly had to do an about face. The Commission's recommendations for the senior workers are too little and too late and thus will not satisfy them; nor will the Commission's recommendation for the young workers be too late and thus will not satisfy them.

Immigration Problems

"Ha'aretz" (World Mizrah) stresses that for years their fine their comments to the question of immigration both laying stress on the urgent and the need of organizing a better Morocco. "Ha'aretz" goes further and states that the Jews of the West, who are sinking in the economic mire, should also be urged to come. The paper's immediate concern is for the religious Jew, who will be repulsed by the materialism of the State guarantees a truly traditional life.

Zmanim (Progressive) welcomes the founding of the Bar Ilan University as a bridge on which religious and non-religious elements in the State and the Hebrew University stand. It concludes by uttering the hope that the new University will steer clear of the materialism that is the product of Mizrahi initiative.

Jews in the Soviet Bloc

"Davar" (Histadrut) discusses the position of the Jews in the Soviet Bloc countries, saying that the Soviet statement on the subject is far from satisfactory, and that the Soviet Union, which recently has congregations, rabbis and synagogues, does not answer the Jewish question.

At the Cinema

WE saw a Fox Movietone Newsreel again after a very long time — at the Orna (Jem) and were fascinated by the almost forgotten rich variety of an international newsworld. Hope that the obligatory Israeli shot which accompanied it would spare us factory visits this time were disappointed. "Haifa Symphony" is made up of such "commercial" in almost every shot of this ambitious production. It is obvious just who has paid for it. From every point of view except that of propaganda for domestic industry, this well-photographed film is a failure because most of it could have been shot in any European city that has a port and some industry.

Invitation to the Exhibition

AMISRAGAS

IN THE SERVICE OF COMMUNAL & COMMERCIAL KITCHENS & INDUSTRIES

Commencing Sunday, August 7, until August 31, 1954, at the "Palatin" Hall, 50 Rehov Nahlat Binyamin, Tel Aviv (Entrance through the "Palatin" Cafe):

EXHIBITION OF "AMISRAGAS" APPLIANCES FOR COOKING, HEATING, BAKING, & FRYING

for Communal Kitchens, Cafes and Restaurants, Hotels, Pensions & Sanatoria. Special Department for INDUSTRIAL ENTERPRISES LABORATORIES. The exhibition will be open daily between 11 a.m. and 7 p.m., and on Fridays between 9-12 noon.

ALL INTERESTED ARE INVITED TO VISIT THIS EXHIBITION—FIRST OF ITS KIND IN ISRAEL.

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HEBREW

ULPANIM

will begin on September 1, 1954, at the Beit Hahatsot, 37 Rehov Hamaalech George, Tel Aviv, and in the Beit Hahat Borochev Quarter. Beginners, Intermediate and Advanced courses. There are morning and afternoon classes. Registration: Jewish Agency Offices, 4 Rehov Ahiza, Tel Aviv, between 2 p.m. and 5 p.m.